



City Council

Staff Report

TO: Honorable Mayor and City Council
FROM: John Jansons, City Manager 
DATE: August 22, 2016
SUBJECT: Tulare Economic Development Corporation – Equity Concern

RECOMMENDED ACTION:

It is respectfully recommended that the City Council discuss and provide direction to the City's representative to the Tulare Economic Development Corporation regarding a recommendation to their Board to defer or waive membership dues for the City of Exeter.

BACKGROUND:

The City of Farmersville has been a long standing member of the Tulare Economic Development Corporation (EDC). The City current representative on the EDC Board of Directors is Councilmember Benavides and Mayor Pro Tem Boyer serves as the City's Alternate.

Since 1983, the EDC has served as the marketing and business recruitment organization representing the communities of Tulare County. The EDC represents itself as the regional leader of economic development by attracting, supporting and retaining business and industry for the communities of Tulare County.

The City of Farmersville's annual membership fee to belong to the EDC is \$6,459 calculated on pro rata share based upon the City's population.

DISCUSSION:

The EDC Board of Director typically meets monthly and their next Board of Director's meeting is Wednesday August 24, 2016.

One item on their upcoming agenda (Attachment 1, Page 7) proposes to defer the annual membership fee for the City of Exeter due to "Extenuating financial Circumstances of the City of Exeter".

The recommendation by EDC Staff to their board deserves pause and concern in that the City of Farmersville is also experiencing "extenuating financial circumstances" with a projected \$300,000 + deficit for Fiscal Year 2016-2017 due to the loss of grant funding for Public Safety. Yet, in spite

of that dire circumstance, the City of Farmersville paid its annual membership dues of \$6,459 in June to continue to be fully represented by the EDC.

With that in mind, it is recommended that the City Council provide direction to its representative to the EDC regarding the recommendation to defer Exeter's membership fee, and consider requesting a deferment or waiver of Farmersville's EDC dues and /or a reimbursement of the 2016-20176 fees paid by the City if Exeter is granted the deferral or waiver.

CONCLUSION:

It is respectfully recommended that the City Council discuss and provide direction to the City's representative to the Tulare Economic Development Corporation regarding a recommendation to their Board to defer or waive membership dues for the City of Exeter.

ATTACHMENT(S): 1

- 1) Tulare EDC August 24, 2016 Board Agenda Packet

Respectfully Submitted By:



John Jansons
City Manager



ECONOMIC DEVELOPMENT CORPORATION

s e r v i n g T u l a r e C o u n t y

Board of Directors

August 24, 2016 – 7:30 AM

Exeter Museum Gallery
125 S. B Street, Exeter, CA 93221

Chair

George Vasquez
Bank of the Sierra

Vice Chair

Monte Reyes
City of Porterville

Treasurer

Colby Wells
The Gas Company

Secretary

Teresa Boyce
City of Exeter

Immediate Past Chair

Craig Vejvoda
City of Tulare

Leonel Benavides
City of Farmersville

Brent Calvin
College of Sequoias

Dr. Rosa Carlson
Porterville College

Bill DeLain
DeLain Associates LLC

Greg Gonzales
City of Woodlake

Warren Gubler
City of Visalia

Scott Harness
City of Dinuba

Chuck Littlefield
Richard Best Transport

Vacant
City of Lindsay

Mike Porte
Newmark Grubb Pearson

Nick Seals
Seals-Biehle Contractors

Harroll Wiley
Workforce Investment Bd.

Dan Zoldak
Lars Andersen & Assoc.

1. Call to Order

- a. Self-Introductions
- b. Public Comment

2. Organizational Management

- a. Minutes of May 25 & July 27, 2016 (Action)
- b. July Financial Report (Action)
- c. Private Sector Investor Program (Presentation/Action)

3. Marketing & Communications

- a. Marketing & Communications Activity (Report)

4. Business Development

- a. Business Recruitment (Report)

5. Community Competitiveness

- a. Appointment to Measure R Citizens Oversight Committee (Action)

6. Closed Session

Government Code Section 54957
Public Employee Evaluation
Title: President & CEO

7. Reconvene from Closed Session

- a. Consideration of change to compensation and/or benefits as a result of performance evaluation (Action)

8. Good of the Order – Items for Future Discussion

9. Adjournment



Agenda Report – August 24, 2016

July 2016 Financial Report

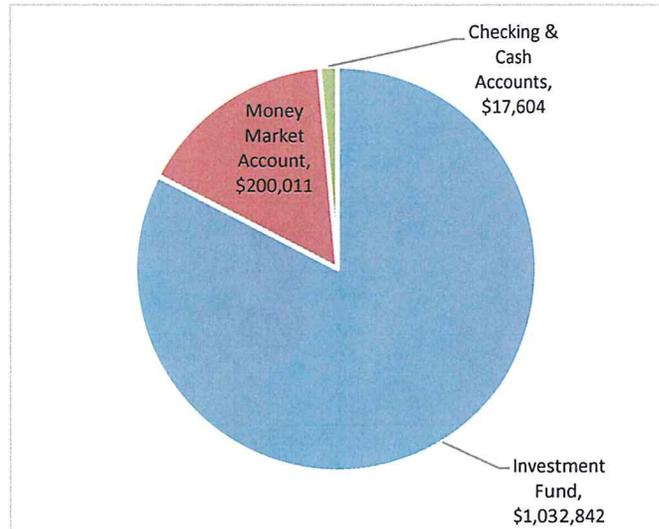
Recommendation

Board receive the July financial report; extend deferment of 2016-17 contribution by the City of Exeter due to extenuating financial circumstances; direct Administrative Committee to recommend mid-year budget changes to balance budget as needed.

Background

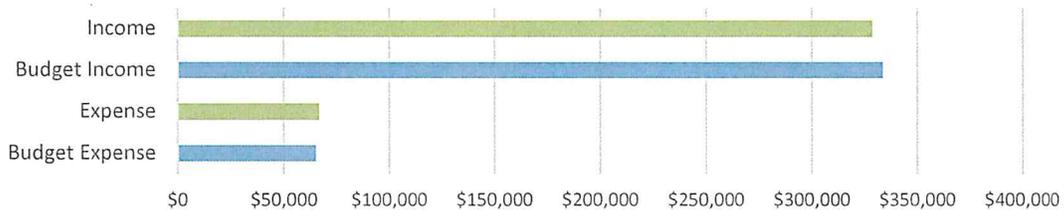
Balance Sheet/Cash Balance as of July 30, 2016

The EDC ended the month of July with cash on hand balance of \$217,611 and accounts receivable of \$45,378. The EDC's Investment Fund value as of July 30 was \$1,032,841. The chart on the right shows the designation of cash or equivalent asset funds as of July 30, 2016.



Income & Expenses

The Profit & Loss Budget Performance Report shows the EDC income and expense for the month of July. Income is primarily derived from public sector in the month of July and many annual expenses are also paid out during July, accounting for the high expense level.





Agenda Report – August 24, 2016

City of Exeter request

The City of Exeter has requested a deferment of their 2016-17 contribution due to the state of their budget and fiscal condition. The Administrative Committee has reviewed the request and recommends approval. Likewise, the Admin Committee is recommending the Board not make any budget adjustments until mid-year, at which time the Committee can evaluate the best alternatives to balance the budget and maintain program of work.

Business Incentive Fund Status

The following represents the status of the Business Incentive Fund as of July 30, 2016. The balance sheet has been changed to track the total amount designated for the incentive fund and is shown under “equity” account 3600 Net Assets – BIZ Fund (Designated). This will allow for better tracking of the funds designated for incentives, since some funds are in investments and some are held in cash.

Incentive Fund Balance	\$107,253
Project Proposals/Commitments	
Prospect #747-13	(\$25,000)
Prospect #798A-15	(\$10,000)
Prospects (not committed)	(\$5,000)
Fund balance after commitments	\$67,253

The incentive fund and activities will undergo annual review by the Administrative Committee at their September meeting and recommendations will be brought forth at the next Board meeting.

Investment Portfolio Status

The closing statement for July 30, 2016 reflected an ending value of \$1,032,841.50. The following chart provides a comparison of the fund status. As a result of increased value, the fund manager has been instructed to sell of \$30,000 of proceeds when the fund exceeds \$1,060,000 in value.

